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STATE OF HAWAII PUBLIC UTILITIES COMMISSION DEPARTMENT OF BUDGET AND FINANCE

465 S. KING STREET, #103 HONOLULU, HAWAII 96813 CARLITO P. CALIBOSO CHAIRMAN

> JOHN E. COLE COMMISSIONER

LESLIE H. KONDO COMMISSIONER

e-mail: Hawaii.PUC@hawaii.gov

June 25, 2008

Catherine P. Awakuni
Executive Director
Department of Commerce and Consumer
Affairs
Division of Consumer Advocacy
P.O. Box 541
Honolulu, HI 96809

P.A. Nicholas
Molokai Public Utilities, Inc.
Wai`ola O Moloka`i, Inc.
MOSCO, Inc.
Molokai Properties Limited,
dba Molokai Ranch
745 Fort Street Mall, Suite 600
Honolulu, HI 96813

Brian T. Moto, Corporation Counsel Jane E. Lovell, Deputy Corporation Counsel Department of the Corporation Counsel County of Maui 200 South High Street Wailuku, Maui, HI 96793

Re: Docket No. 2008-0115 - In Re. Molokai Public Utilities, Inc., Wai`ola O Moloka`i, Inc., and MOSCO, Inc. for Temporary Rate Relief

Dear Parties:

For your information and review, enclosed please find copies of public comments and correspondence received by the commission in the above-referenced docket.

If you have any questions, please do not hesitate to contact me at 586-2019.

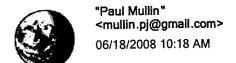
Sincerely.

Kaiulani Kidani Shinsato Commission Counsel

Kanilan Krotom Shinsoto

KKS:laa

Enclosures



To Hawaii.PUC@hawaii.gov

CC

bcc

Subject

Paul and Janet Mullin PO Box 348 Maunaloa, HI 96770 808-552-2926

To the Public Utilities Commission and the Consumer Advocate:

We very much appreciate the response of the PUC to the current water crisis that is developing due to the actions of Moloka'i Properties Ltd. (MPL). The Commission's initiation of a rate case on behalf of the utilities strips a major excuse from MPL's management. Should they continue on the course they have announced, it will show their actions as motivated purely by revenge and intimidation.

In considering the proposed rate increase, we hope that the overarching consideration is continuation of service. While drastic rate increases will certainly be a heavy burden on us and many others in our community, that burden is still less than the disaster that will result from a termination of service. Many, especially those living in condos and apartments, would no longer be able to live in their homes. Water should cost what is necessary to insure its supply. It is up to the consumer to adjust usage to compensate for cost increases. In our case, we anticipate reducing water consumption by up to 50% as we are pensioners with no ability to increase our income. It will be difficult.

MPL's stewardship of their water utilities over the years has been a betrayal of the public trust and an ongoing fraud perpetrated against their customers. Their failure to pursue rate cases to maintain financial stability and independence of the utilities was deliberate and based on their own high consumption of water from the system. It was cheaper for them to continue to subsidize the systems at a minimal level than to pay for water at the higher rate. In so doing, they accumulated massive deferred maintenance and left the utilities in such a condition that they could not carry on in the absence of the parent company. This was in total disregard of MPL's promise to their land sale customers for water provided by their utilities.

Obviously, the proposed rate increase is a stop-gap measure and a final solution depends on the State and County governments. Still, the prospect of other privately owned utilities doing the same thing hangs over the head of many Hawaii homeowners and businesses and this must not be allowed to happen.

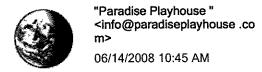
- * The PUC needs to increase oversight over private utilities to ensure that the utilities are not looted as MPL has done and are independently solvent.
- * Legislation is needed to require private utilities to be established as fully independent of the parent corporations so that such a continuity problem does not develop.
- * Legislation to bring currently unregulated utilities such as MPL's mountain water system and well #17 that serve regulated utilities under PUC review in order to maintain their solvency.

* Increased staffing levels for the PUC to accomplish the above tasks will be needed. We will be addressing this need in letters to our elected representatives.

Again, we wish to express our appreciation for the unprecedented actions taken by the PUC on behalf of our community.

Sincerely,

Paul and Janet Mullin



To <Hawaii.PUC@hawaii.gov>
cc
bcc

Subject Molokai Water

History:

S This message has been forwarded.

Allow us to add our voices to the hundreds of others over the suggestion disruption of Water Service on the west end of Molokai. To even suggest this as a possibility is an outrage. My wife and I recently retire to Maunaloa from the mainland and have invested our life savings into this place. Let us know what we can do to make sure this does not happen for even a day.

Frank and Cathy Parrino 35 Ka'ana Maunaloa, MOLOKAI, HI 96770

816 401-1341